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## Issue #2

### Medicaid and Public Health

#### *How should Texas assure coordination of policy and management of health care services provided for low income Texans?*

#### *Background*

Prior to House Bill 7 being passed by the 72nd Texas Legislature, the Medicaid program was housed in a single agency. This legislation established the Health and Human Services Commission as the required “single state agency” for Medicaid. The operations of various components of the Medicaid program were delegated to other Health and Human Services operating agencies on the basis of the population served by that agency. Thus, the long-term care portion of Medicaid is managed by the Department of Human Services, the behavioral health portion by the Texas Department of Mental Health and Mental Retardation, and the children’s preventive as well as the acute care health services by TDH.

#### *Discussion*

TDH is responsible for the administration of numerous programs which promote and protect the health of the citizens of Texas. In addition to these basic public health programs, TDH also provides preventive and primary care or purchases health services for low-income individuals.

TDH has been delegated authority by the State Medicaid Office as operating agency responsible for Medicaid acute care services, the Vendor Drug Program, Medicaid family planning, Medicaid Medical Transportation and Texas Health Steps (formerly EPSDT). TDH also is administrative agency for Title V Maternal and Child Health Services Block Grant, County Indigent Health Care Program, and Community Oriented Primary Care Program.

TDH is responsible for administering the Chronically Ill and Disabled Children’s Services Program (CIDC). CIDC funds direct health care and other support services for income-eligible children with certain chronic conditions and disabilities. CIDC also is mandated by the state to develop and improve standards and services for chronically ill and disabled children. The Medically Dependent Children Program, a Medicaid waiver providing Medicaid health services and associate support services to children who meet waiver eligibility criteria, also is housed at TDH.

These programs offer services via varying funding sources, service arrays, and eligibility criteria. Many of the state funded programs are designed to serve as a safety net for individuals who do not qualify for the Medicaid program. Individuals are likely to move in and out of the Medicaid program as the family’s income fluctuates.

Since Medicaid programs were transferred to TDH in 1993, major emphasis has been placed on consolidating policy across various funding sources. For example, prior to the transfer, family planning services were

financed via four federal funding sources managed by two agencies, with different policies and eligibility criteria. Following the transfer, the various funding sources have been combined into a single program with one set of medical policies. Although the financial eligibility criteria differ, patient care is handled in the same way for all patients, and the funding sources are melded into a single program.

Locating Medicaid policy direction in the state public health department has had added benefits. The preventive aspects of Medicaid have been emphasized. Policies including payment for diabetic supplies and coverage for less expensive treatments have been implemented, both because they are appropriate and because they offer immediate or long-term cost savings. In addition, TDH has emphasized full implementation of the Texas Health Steps, which provides early identification and treatment of numerous health conditions which can affect school performance, long term health status, and health costs.

The same doctors and nurses and other health professionals plan, develop, and implement policies for all of the programs for children with special health care needs. These children are likely to move between programs, and clear understanding of all of the programs is critical to creating a more functional system of care for the children and their families. Likewise, a single advisory group of providers, advocates and parents makes recommendations about policies for all programs concerning children with special health needs.

Although coordination of programs has improved, significant gaps and inefficiencies remain. TDH is participating in the implementation of House Bill 2777, which will offer streamlined eligibility determination, outreach, and other services to carry out Texas' recent welfare reform legislation. However, TDH still has internal and external challenges to consolidated service delivery.

## *Recommendations*

Any changes to the organizational structure of health and human services agencies should further streamline the delivery of services to children and adults, including those with disabilities and chronic illnesses.

- Medicaid and other health programs which provide complementary services to overlapping populations should be located in the same agency.
- TDH should be authorized to explore using a managed care model to provide direct health services through a single delivery system combining Medicaid and direct services programs which serve similar populations. This could leverage the state's resources to improve health care for Texans who receive care through public health programs and are not eligible for Medicaid. It would also avoid duplication inherent in operating a separate system.